



TO: Business Operations Committee, Tennessee Public Charter School Commission

FROM: Melanie Harrell, Director of Finance and Operations, Tennessee Public Charter School Commission

DATE: July 27, 2023

SUBJECT: Charter Commission Budget Updates

FY23 Budget-to-Actuals

- We have updated the FY23 budget-to-actuals to reflect our current spending and drawdown, which reflect final expenditures except those that are accrued through the close process.
- BEP passthrough and authorizer fee projections have been adjusted slightly to reflect recent enrollment changes and the June 2023 BEP true-up.
- Outstanding passthrough funding reflects the final reimbursements for the fiscal year that we anticipate from schools. At the time of the compiling of this information, we are also waiting on some reimbursements, BEP, and authorizer fee revenue to be recorded by accounting, which will be finalized during the close process.
- We are still projecting a surplus overall for FY23 and will update the Committee on final closed financials at our October meeting.

FY24 Amended Budget

- The amended budget for Committee review and approval is provided here.
- The current draft budget is based on a conservative enrollment estimate of approximately 4,700 students across thirteen (13) schools. We currently project a surplus of approximately \$835,000. This amount is 23% of total projected revenue (excluding passthrough funds), which provides a cushion against uncertainty in enrollment variance.
- We have restructured the budget such that it no longer includes grant passthrough expectations. This helps give a clearer picture of our operating budget, since we do not use any administrative funds from federal grants currently. Moving forward, our intention is to provide separate grant updates at least twice annually to the Committee.
- Our professional services line item includes the contracts referenced in the Executive Director's operational update, as well as budgeting for additional supports for federal programs and the authorizing team. We have left room in the budget for contracted supports for both teams.

FY25 Initial Budget

- The initial FY25 budget proposal is provided here. The revenue and authorizer fee estimates are based on the current estimated TISA rates for FY24, though we anticipate these estimates will likely increase as additional budgeted revenue information is submitted by resident districts.
- The current proposed budget anticipates an enrollment of approximately 5,730 students across 16 known schools. We currently project a conservative surplus of \$1.2M. This amount is about 30% of total projected revenue (excluding passthrough funds), which provides a



cushion against uncertainty in enrollment variance and funding amounts. Additionally, this reflects our goal of moving toward sustainability on the authorizer fee alone.

- The current expenditure estimates include current staffing levels and static assumptions for most expenses, except for contracted service amounts that will grow as we have more students. These increased expenses are primarily for student information management systems.
- As we move through this year's appeal cycle and get a better sense of our future portfolio size, we anticipate that we may request an additional position from the General Assembly for FY25. We will update the Committee on our budget requests during our October meeting.